

Date Mailed
May 14, 1998

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Midwest Natural Gas, Inc., as a
Gas Public Utility, for Authority to Provide
Natural Gas Service in Portions of the Towns
of Holland and Onalaska, La Crosse County,
Wisconsin

3670-CG-111

**NOTICE OF INVESTIGATION
AND ASSESSMENT OF COSTS**

Midwest Natural Gas, Inc. (MNG), as a gas public utility, filed an application with the Commission on June 19, 1995, for authority under s. 196.49, Stats., and Chapter PSC 133, Wis. Adm. Code, to provide natural gas utility service in sections 18 and 19 in the Town of Holland, La Crosse County, Wisconsin. On November 10, 1997, MNG filed an amendment to its application in the above docket, for authority under s. 196.49, Stats., and Chapter PSC 133, Wis. Adm. Code, to construct facilities and provide natural gas utility service in sections 6, 7, 18, 19, 30, 32, 33 and the north one half of section 31 in the Town of Holland, La Crosse County, Wisconsin, and in that portion of section 33 in T-18-N, R-7-W in the Town of Onalaska, La Crosse County, Wisconsin.

MNG is a gas public utility, as defined in s. 196.01(5), Stats., engaged in the business of distributing and selling natural gas in a number of cities, villages, and towns in west-central Wisconsin.

Commission order CA-4337, dated April 9, 1964, authorized Northern States Power Company (NSP), as a gas public utility, to construct facilities and provide natural gas service in the Village of Holmen and the Towns of Holland, Medary, and Onalaska, La Crosse County, Wisconsin.

Commission order 3670-CG-107, dated August 2, 1991, authorized MNG to construct facilities and provide natural gas service in specified portions of the Towns of Holland and Onalaska, La Crosse County, Wisconsin, exclusive of sections 6, 7, 18, 19, 30, 32, 33 and the north one half of section 31 in the Town of Holland, and that portion of section 33 in T-18-N, R-7-W in the Town of Onalaska.

In its June 19, 1995, application, MNG states, “[r]ecently, Applicant discovered that in the course of responding to customer’s requests for extensions of service on Sylvester Road extending in an easterly direction through Section 13, Applicant inadvertently installed main and service extensions on that portion of Sylvester Road extending into Section 18, as well as on Evans Valley Road and Holseth Road, also in section 18, Town of Holland.”

MNG states that approximately 3,268 feet of 1¼ inch main and 19 services have been installed in section 18 in the Town of Holland, with a total expenditure of \$6,070.52. MNG anticipates a request for service from one residential customer on Holseth Road in section 19 of the Town of Holland. In 1995, MNG estimated the cost of constructing approximately 100 feet of main and related facilities to provide such service to be \$267.77.

NSP is currently authorized to provide natural gas service in section 18, T-18-N, R-7-W, in the Town of Holland, as well as in sections 6, 7, 19, 30, 32, 33 and the north one half of section 31, T-18-N, R-7-W, in the Town of Holland, La Crosse County, Wisconsin, and in that portion of section 33, T-18-N, R-7-W, in the Town of Onalaska, La Crosse County, Wisconsin.

Therefore, the Commission will consider MNG’s request for authorization to construct facilities and provide natural gas utility service in sections 6, 7, 18, 19, 30, 32, 33 and the north one half of section 31 in the Town of Holland, La Crosse County, Wisconsin, and in that portion of section 33, T-18-N, R-7-W, in the Town of Onalaska, La Crosse County, Wisconsin, under ss. 196.49 and 196.50, Stats., and Chapter PSC 133, Wis. Adm. Code.

MNG and NSP entered into a territorial agreement dated September 30, 1997, establishing respective natural gas service areas in the Towns of Greenfield, Holland, and Onalaska, La Crosse County, Wisconsin. A copy of the territorial agreement was filed with the Commission.

NSP filed an application with the Commission, in docket 4220-CG-127, on January 20, 1998, requesting authority to construct facilities and provide natural gas service in portions of the Town of Greenfield, La Crosse County, Wisconsin.

MNG and NSP entered into a territorial agreement dated March 17, 1998, which supersedes the agreement dated September 30, 1997, establishing respective natural gas service areas in the Towns of Greenfield, Holland, and Onalaska, La Crosse County, Wisconsin. A copy of the territorial agreement was filed with the Commission.

The March 17, 1998, territorial agreement assigns MNG sections 6, 7, 18, 19, 30, 32, 33 and the north one half of section 31 in the Town of Holland, La Crosse County, Wisconsin, and that portion of section 33, T-18-N, R-7-W, in the Town of Onalaska, La Crosse County, Wisconsin. The agreement also assigns NSP a portion of the Town of Greenfield, La Crosse County, Wisconsin.

Only the areas which the March 17, 1998, territorial agreement assigns to MNG, are the subject of the application in this docket. The Town of Greenfield, La Crosse County, Wisconsin is the subject of NSP's application in docket 4220-CG-127. Nothing in the territorial agreement authorizes NSP to construct facilities and provide natural gas service in the Town of Greenfield, La Crosse County, Wisconsin, without a prior Commission order.

The Commission is concurrently considering the application by MNG in this docket and the application of NSP in docket 4220-CG-127, pursuant to the March 17, 1998, territorial agreement. The Commission intends to issue this order concurrently with an order in docket 4220-CG-127. The Commission finds that the provisions of s. 196.50, Stats., are applicable to each of these dockets.

NOTICE IS GIVEN that the Commission will investigate whether MNG is currently providing natural gas service in portions of the Towns of Holland and Onalaska, La Crosse County, Wisconsin, without a Commission certificate of authority and, if so, whether such authority should be granted at this time.

NOTICE IS FURTHER GIVEN that the Commission will investigate the application without hearing unless an interested party requests a hearing within 10 working days of the date this notice is mailed.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices, and activities of Midwest Natural Gas, Inc., as a gas public utility. The expenses incurred by the Commission which are reasonably attributable to the investigation will be assessed against and collected from Midwest Natural Gas, Inc. as a gas public utility, under s. 196.85, Stats., and Chapter PSC 5, Wis. Adm. Code.

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

Docket 3670-CG-111

If there are any questions regarding this matter, please contact Tom Reisdorf, Natural Gas Division at (608) 267-1475.

Dated at Madison, Wisconsin, _____

For the Commission:

Anita Sprenger, Administrator
Natural Gas Division

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